

## SPECIAL REPORT

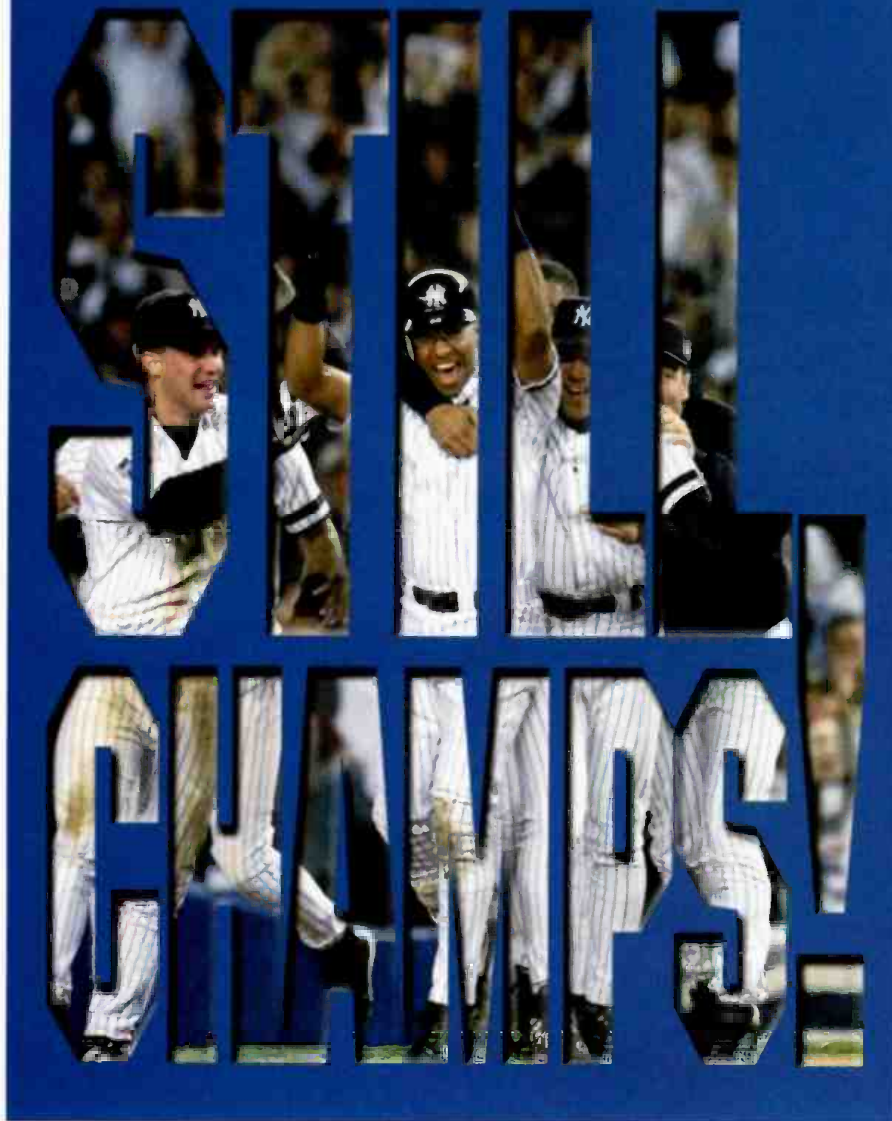
**R**egional cable networks and local TV and radio broadcasters are still paying big bucks for the local rights to carry games. They spent roughly \$469 million this year, 14.7% more than last year, according to BROADCASTING & CABLE's annual baseball-rights survey.

And, as with last season, there are two big winners. First are the New York Yankees, which re-upped with MSG Network for \$52 million. That's more than the rest of the teams in the American League East combined will make, giving the Yanks a true competitive advantage. Another big winner is Fox Sports Net, remaining the top local-rights holder for cable. Moreover, the cable network's interest in obtaining the local broadcast-TV rights remains strong. Half of the 30 Major League Baseball teams have sold both over-the-air and cable games to either Fox or its affiliates.

Fox's dominance of the marketplace intensified even further this season, its acquisition of CBS Cable's Midwest Sports Channel giving it the broadcast-TV and cable rights for the Milwaukee Brewers and Minnesota Twins. Also this season, Comcast SportsNet now has the broadcast-TV and cable rights to the Orioles as a result of its purchase of Home Team Sports.

Furthermore, Fox Sports Net Northwest reportedly spent \$25 million for both the broadcast and cable rights to this year's Seattle Mariners games. It's all part of a new 10-year deal the team struck with Fox, following a bidding war with KIRO-TV Seattle, holder of the broadcast-TV rights for the past three seasons.

The bidding war was fueled by the



BY KIM McAVOY

# Baseball gets the bucks

*Broadcast rights jump 14.7% from 2000, and games continue migration to cable*

# 28

## Baseball Rights: The Chart

Team-by-team breakdown tells the story of the revenues and rights paid for the upcoming season.

# 30

## The Total Story

What makes a good deal? A sport-by-sport look at revenues and ratings tries to answer the question: Which rights deals are the best?

# 34

## Bob Costas: For Love of the Game

One of the most visible sportscasters on the air gives his take on the relationship between sports and TV.

## Scorecard: broadcast vs. cable

Year	BROADCAST		CABLE		COMBINED	
	Total games	Avg. games per team	Total games	Avg. games per team	Total games	Avg. games per team
1996	1,835	65.5	1,287	50.9	3,122	116.4
1997	1,668	59.6	1,737	62.0	3,405	121.6
1998	1,655	55.2	2,058	68.6	3,713	123.8
1999	1,646	54.9	2,187	72.9	3,833	127.8
2000	1,571	52.4	2,246	75.0	3,817	127.2
2001	1,507	50.2	2,417	80.6	3,924	130.8

Mariners' decision to sell the broadcast and cable rights together. Ackerly Communications, Action Sports (an affiliate of the Portland Trail Blazers), Belo, KIRO-TV and Fox Sports Net, were all vying for those rights, according to sources.

"You had a lot of people at the table throwing a lot of big numbers around," says Sandy Zogg, general sales manager at KIRO-TV. The negotiations got "out of hand"; there was no way that KIRO-TV could compete. As a result, KIRO-TV is sublicensing 34 Mariners games from Fox Sports Net.

However, that means local viewers will see fewer Mariner games over the air. Last year, KIRO-TV and its broadcast partner KSTW(TV) Seattle ran a total of 63 games (KSTW had 23 and KIRO-TV carried 40). Of course, on the flip side, cable subscribers will have access to more Mariners games this year: Fox Sports Net is offering 106, up from last season's 62.

The situation in Seattle reflects the continuing migration of games to cable (see table above). As the survey indicates, the average number of broadcast games per team fell from 52.4 in 2000 to 50.2 in 2001, a 4.3% decline. And, as last year, neither the Cincinnati Reds nor the Montreal Expos will have over-the-air broadcasts of games. The average number of baseball games per franchise on cable rose from 75 in 2000 to 80.6 in 2001, a 7.5% hike. Part of the increase, though, stems from the fact that, in 2000, the Expos failed to strike a deal for cable carriage of their games and none were aired. Overall, this season, regional cable networks will air 2,417 games, 910 more than the 1,507 that TV stations will carry.

At independent KCAL (TV) Los

Angeles, the number of Anaheim Angels games has dropped from 50 to 40. This year, KCAL paid a rights fee as part of a new five-year deal; in the past, it has participated in

a revenue-sharing arrangement with the team. For KCAL, the reduction in games is due to the fact that local TV stations have fewer choices. "Our goal is to create the best schedule we can in time periods that the most number of people can watch the game," says Patrick McClenahan, KCAL

senior vice president and station manager. But, as McClenahan points out, games played in three key time periods have already been taken, including Saturday games, which air on Fox, and Sunday and Wednesday-night games, which are exclusive to ESPN. Furthermore, he notes that the increased number of games beginning at noon is also less appealing to broadcasters. "That has reduced the number of desired time periods for games that are available to us," he adds.

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An even more significant reduction is at WPSG(TV) Philadelphia, which will carry only 45 Phillies games, compared with 70 last season. "It was a mutual decision," says Kevin O'Kane, vice president and general manager for WPSG. ■

## Fox: View from the Hill

To get to the World Series, you now have to go through Fox Sports.

Starting this season, Fox Sports becomes the exclusive home to all of Major League Baseball's post-season action and nearly all of the national pastime's regular-season games, as well.

Thanks to Rupert Murdoch's new six-year, \$2.5 billion contract with Major League Baseball, Fox Sports will carry every All-Star Game, every playoff game and every World Series game from now through the 2006 season. Add in Fox Sports Net, which carries more than 2,000 regular-season games on its various regional channels across the country, Saturday-night coverage on FX, and a new Thursday-night game on Fox Family Channel, and it adds up to a seeming baseball monopoly. In fact, Fox Sports Net has the local cable rights to 26 of the league's 30 teams, with only Boston, Montreal, Toronto and San Diego outside its reach.

Fox Sports Television Group Chairman and CEO David Hill says the \$2.5 billion bet on baseball will likely pay off, just as many of Fox's other sports contracts have over the past decade.

"You obviously don't do a deal if you don't think it's going to be very worthwhile to you at the end of the day," says Hill, who also orchestrated Fox's NFL and NASCAR deals. "It's always something that you have to look at over the totality of the contract. The way you go into a long-term contract is that you believe it's going to be worthwhile."

A major part of that worthiness is the ability to hype TV series during playoff games. "The playoffs are in a great time of the year, just prior to November sweeps, and they are really an ideal platform for the entertainment boys to launch their wares," says Hill. "Add in the fact that they rate and the country focuses on the sport alone during that time of the year, and we think it's an incredible property."

Ratings, however, tell a different story. Last year's World Series was the lowest-rated ever, as the hype of a New York subway series didn't sell outside Manhattan. Fox Sports' coverage of the World Series averaged only a 12.4 rating nationally, according to Nielsen Media Research. According to insiders, the result for Fox was a loss in ad revenue of \$70 million. And Fox's coverage of the League Championship series dropped from a 9.2 rating in 1999 to a 6.2 rating.

The other potential bad news is the threat of a players strike at the end of the season. Of a potential strike, Hill says he is "spending a lot of time lighting candles and praying." —Joe Schlosser



# LOCAL TV AND RADIO LINEUP

	BROADCAST TV						CABLE					RADIO				
Team	Flagship	# of reg. season games	# of stations in net.	Contract status yr./yrs.	2001 rights (millions)	2001 est. revenue (millions)	Regional network	# of reg. season games	Contract status yr./yrs.	2001 rights (millions)	2001 est. revenue (millions)	Flagship	# of stations in net.	Contract status yr./yrs.	2001 rights (millions)	2001 est. revenue (millions)
AMERICAN LEAGUE EAST																
Baltimore Orioles	WJZ-TV (ch. 13)	25	15	1/1	—	—	Comcast Sports Net	85	5/10	\$20	—	WBAL(AM) 1090 kHz	24	2/5	\$3.5	—
	WNUV-TV (ch. 54)	40														
Comcast has broadcast and cable rights. Comcast sublicenses games to WJZ-TV, WNUV(TV) Baltimore and WBDC(TV) Washington.																
Boston Red Sox	WFXT-TV (ch. 25)	67	10	2/3	\$9-10	—	New England Sports Network	85	18/20	\$10	—	WEEI(AM) 850 kHz	51	1/5	\$5	—
Team owns 48% of NESN.																
New York Yankees	WNYW(TV) (ch. 5)	50	0	—	—	—	MSG Network	100	1/1	\$52	—	WABC(AM) 770 kHz	33	—	—	—
MSGN holds rights to broadcast TV, cable and radio for one year and sublicenses 50 games to WNYW(TV).																
Toronto Blue Jays	CBC	40	0	3/3	\$4	—	TSN	79	5/5	\$6	—	CHUM(AM) 1050 kHz	30	1/3	\$2	—
							CTV Sportsnet	31	3/3	\$3						
CTV owns SportsNet and TSN but is in the process of divesting SportsNet. Rights fees in U.S. dollars. CHUM also soon to be called TEAM(AM).																
Tampa Bay Devil Rays	WMOR(TV) (ch. 32)	50	7	4/5	—	\$3.7	Fox Sports Net	64	4/12	\$4.4	—	WFLA(AM) 970 kHz	11	4/7	\$4	—
	WTSP(TV) (ch. 10)	15		4/5												
Team retains broadcast-TV rights, buys air time on stations and keeps all ad inventory.																
AMERICAN LEAGUE CENTRAL																
Chicago White Sox	WGN-TV (ch. 9)	29	0	1/6	—	\$15	Fox Sports Net	99	2/10	\$5.6	—	WMVP(AM) 1000 kHz	37	6/10	\$5	—
	WCIU-TV (ch. 26)	24														
Team and WGN-TV have revenue-sharing partnership. WGN-TV buys airtime on WCIU-TV.																
Cleveland Indians	WUAB(TV) (ch. 43)	75	6+	3/3	\$6	—	Fox Sports Net	75	3/6	\$6	—	WTAM(AM) 1100 kHz	38	2/2	—	\$9
WUAB(TV) holds broadcast-TV rights, but team shares revenue. Team retains radio rights, sells all inventory.																
Detroit Tigers	WKBD-TV (ch. 50)	40	10	4/5	\$2	—	Fox Sports Net	100	4/10	\$12	—	WXYT(AM) 1270 kHz	34	1/6	\$3.5	—
Team sold radio rights to WXYT (AM) in new six-year deal.																
Kansas City Royals	KMBC-TV (ch. 9)	15	15	—	—	—	Fox Sports Net	30	5/6	\$5.5	—	KMBZ(AM) 980 kHz	85	1/3	\$2	—
	KCWE(TV) (ch. 29)	36														
Fox Sports Net Midwest has broadcast-TV and cable rights, pays KMBC-TV to carry games. KMBC controls KCWE through local marketing agreement.																
Minnesota Twins	KMSP-TV (ch. 9)	25	0	—	—	—	Fox Sports Net	105	4/4	\$5-6	—	WCCO(AM) 830 kHz	48	3/5	\$2.5	—
Fox Sports Net through acquisition of Midwest Sports Channel now holds broadcast-TV and cable rights. Fox sublicenses games to KMSP-TV.																
Anaheim Angels	KCAL(TV) (ch. 9)	40	0	1/5	\$5-7	—	Fox Sports Net	50	3/10	\$5	—	KLAC(AM) 570 kHz	10	3/5	—	\$4.5
Team, which is owned by Disney, has new rights deal with KCAL (TV). Team retains radio rights, station has limited in-game inventory.																
Oakland Athletics	KICU-TV (ch. 36)	50	0	3/5	\$4	—	Fox Sports Net	60	5/7	\$7	—	KABL(AM) 960 kHz	25	1/3	—	\$2.5
Team retains radio rights.																
Seattle Mariners	KIRO-TV (ch. 7)	34	—	—	—	—	Fox Sports Net	106	1/10	\$25	—	KIRO(AM) 710 kHz	40	4/5	\$5.6	—
Fox Sports Net Northwest pays \$25 million for broadcast and cable rights, sublicenses games to KIRO-TV. KIRO sells all inventory.																
Texas Rangers	KDFI-TV (ch. 27)	65	—	2/10	\$20	—	Fox Sports Net	80	2/15	\$20	—	KRLD(AM) 1080 kHz	70	1/5	\$5	—
	KDFW-TV (ch. 4)	10														
Fox Sports Net Southwest pays \$200 million for broadcast-TV rights over 10 years and \$300 million for cable in a 15-year deal. Fox owns KDFI-TV and KDFW-TV.																

Dash (—) indicates column does not apply. Unless noted, teams rights are sold to a broadcast station or cable network, and the 2001 rights fee is shown. If the team retains rights or is involved in a partnership, estimated 2001 revenue is shown instead of the rights fee. Depending on the team, contract status refers to a rights contract, partnership contract or a non-rights-holder contract to carry games. In most cases, broadcast-TV and radio rights holders form regional networks; the column shows the number of stations in the network. Radio stations usually carry all regular-season games.

	BROADCAST TV						CABLE					RADIO				
Team	Flagship	# of reg. season games	# of stations in net.	Contract status yr./yrs.	2001 rights (millions)	2001 est. revenue (millions)	Regional network	# of reg. season games	Contract status yr./yrs.	2001 rights (millions)	2001 est. revenue (millions)	Flagship	# of stations in net.	Contract status yr./yrs.	2001 rights (millions)	2001 est. revenue (millions)
NATIONAL LEAGUE EAST																
Atlanta Braves	WTBS(TV) (ch.17)	90	0	—	—	\$32.5	Fox Sports Net	25	5/10	\$4	—	WSB(AM) 750 kHz	172+	2/5	\$5	—
Revenue reflects simultaneous national carriage of games on TBS. Team, WTBS, and Turner South are owned by Turner Broadcasting System.																
Florida Marlins	WAMI-TV (ch.69)	55	—	—	—	—	Fox Sports Net	95	3/12	\$15	—	WQAM(AM) 560 kHz	15	5/5	\$4	—
Fox Sports Net Florida pays \$15 million for broadcast-TV and cable rights. Fox expects WAMI-TV to carry games despite sale of station to Univision.																
Montreal Expos	—	—	—	—	—	—	RDS French	48	1/1	\$1.8	—	CKAC(AM) 730 FRENCH	20	1/2	900,000	—
												TSN English	12	1/1		
There are no over-the-air games slated for the 2001 season.																
New York Mets	WPIX(TV) (ch.11)	50	0	—	—	—	Fox Sports Net	100	15/30	\$13+	—	WFAN(AM) 660 kHz	10	2/3	\$5	—
Fox Sports Net New York pays \$8 million to \$10 million for broadcast-TV rights and sublicenses 50 games to WPIX(TV).																
Philadelphia Phillies	WPSG(TV) (ch.57)	45	2	1/1	—	\$4.7	Comcast SportsNet	113	1/15	—	\$6.8	WPHT(AM) 1210 kHz	16	1/1	—	\$2.4
Team and WPSG(TV) have revenue-sharing partnership for broadcast TV, radio and cable. Phillies partnered with Comcast Spectracore to form Comcast SportsNet.																
NATIONAL LEAGUE CENTRAL																
Chicago Cubs	WGN-TV (ch. 9)	70	0	—	—	\$34	Fox Sports Net	72	3/10	\$15	—	WGN(AM) 720 kHz	38	—	—	\$10
Tribune owns team and WGN-AM-TV. WGN-TV buys airtime on WCIU-TV. Revenue reflects simultaneous national carriage of superstation WGN.																
Cincinnati Reds	—	—	—	—	—	—	Fox Sports Net	85	3/6	\$4	—	WLW(AM) 700 kHz	60+	4/5	\$3.5	—
There are no over-the-air games slated for 2001 season. Fox Sports Net Ohio has both broadcast-TV and cable rights.																
Houston Astros	KNWS-TV (ch. 51)	62	5	—	—	—	Fox Sports Net	75	4/12	\$10+	—	KTRH(AM) 740 kHz	50	3/5	—	\$5
Fox Sports Net Southwest has both broadcast-TV and cable rights. Fox sublicenses games to KNWS-TV. Team retains radio rights. KTRH(AM) is Spanish-language flagship.																
Milwaukee Brewers	WCGV-TV (ch. 24)	38	—	—	—	—	Fox Sports Net	80	4/6	\$2.6	—	WTMJ(AM) 620 kHz	52	4/5	\$2	—
Fox Sports Net now holds broadcast-TV and cable rights through its acquisition of Midwest Sports Channel. Brewers buy air time on station. Team shares some revenue with Fox and WTMJ(AM).																
Pittsburgh Pirates	WCWB-TV (ch. 22)	15	0	—	—	—	Fox Sports Net	105	2/8	\$7+	—	KDKA(AM) 1020 kHz	35	2/6	—	\$4
Fox Sports Net Pittsburgh pays \$7+ million for broadcast TV and cable rights. Fox sublicenses games to WCWB-TV. Team retains radio rights.																
St. Louis Cardinals	KPLR-TV (ch. 11)	45	30	2/4	\$3	—	Fox Sports Net	59	4/8	\$4	—	KMOX(AM) 1120 kHz	107	1/5	\$6	—
Fox Sports Net Midwest has both broadcast-TV and cable rights. Cardinals buy airtime on KPLR-TV, Fox sells inventory.																
NATIONAL LEAGUE WEST																
Colorado Rockies	KWGN-TV (ch. 2)	75	12	—	—	—	Fox Sports Net	50	5/10	\$10+	—	KOA(AM) 850 kHz	65	1/3	\$5	—
Fox Sports Net Rocky Mountain pays \$10+ million for broadcast TV and cable rights. Fox buys airtime on KWGN-TV.																
Los Angeles Dodgers	KTVA(TV) (ch. 5)	50	0	5/5	\$15.5	—	Fox Sports Net 2	80	—	—	—	KXTA(AM) 1150 kHz	28	4/5	\$6-8	—
KTVA(TV) has broadcast-TV and cable rights. It sublicenses games to Fox Sports Net 2. Fox owns 90% of team. KWKK(AM) broadcasts games in Spanish.																
San Diego Padres	KUSI-TV (ch. 51)	25	0	—	—	—	Channel 4	115	5/5	\$6	—	KOGO(AM) 600 kHz	1	2/4	\$5	—
Cox Communications' Channel 4 pays \$6 million for broadcast-TV and cable rights. Cox has programming and promotional partnership with KUSI-TV. Cox keeps all ad revenue.																
San Francisco Giants	KTVU(TV) (ch. 2)	62	6	1/7	\$6.8	—	Fox Sports Net	60	6/7*	\$7.5	—	KNBR(AM) 680 kHz	13	3/6	\$5.5	—
Team retains six 30-second spots/game on broadcast TV. KTVU parent Cox and KNBR(AM) are both limited partners in team. *FSN has ext. through 2012.																
Arizona Diamondbacks	KTVK(TV) (ch. 3)	75	2	4/10	—	\$11	Fox Sports Net	60	4/10	\$5+	—	KTAR(AM) 620 kHz	17	4/10	—	\$4
Team retains broadcast-TV and radio rights. Team and KTVK have revenue-sharing arrangement.																



# TV Sports:

## A numbers game

*Picking the winner is easier on the field than off*

BY JOE SCHLOSSER AND DAVID CARTER

Figuring out which is the best deal in TV sports is a lot like deciding on the best athlete ever. It's a tangle of competing claims and intangible values. And when the competition is to find the best deal, the answer is even more subjective. Best for whom? The network that has the deal, the sport that locked in the contract, or the advertisers that will pay to be there?

"It's really difficult to say which package is the best deal overall," says media buyer Tom DeCabilia, Schulman/Advanswers NY. "The NFL deal is the most expensive, but it really does great things for all of the networks that own it. Major League Baseball, NCAA Men's Basketball and PGA golf all have good stories. It just depends on what's happening in the sport and what's being spent on them. Each network will tell you they have the best deal."

Every deal starts with what the broadcaster is willing to pay, and as David Hill, Fox Sports Television Group chairman says, it starts with not overpaying. "I think the price was right for Bass Fishing," he says of Fox's one-time fishing experiment. "Seriously, I'm only familiar with the ins and outs of our deals and the values to us. What you find in any of these deals is that you don't know what the other guys are doing with theirs."

The intangibles, however, are what make the deals. For one thing, they allow the broadcasters to rationalize what otherwise would be considered overpayment for a certain sports property. When Fox Sports picked up the rights to the NFL from CBS, there is no doubt that it played a major role

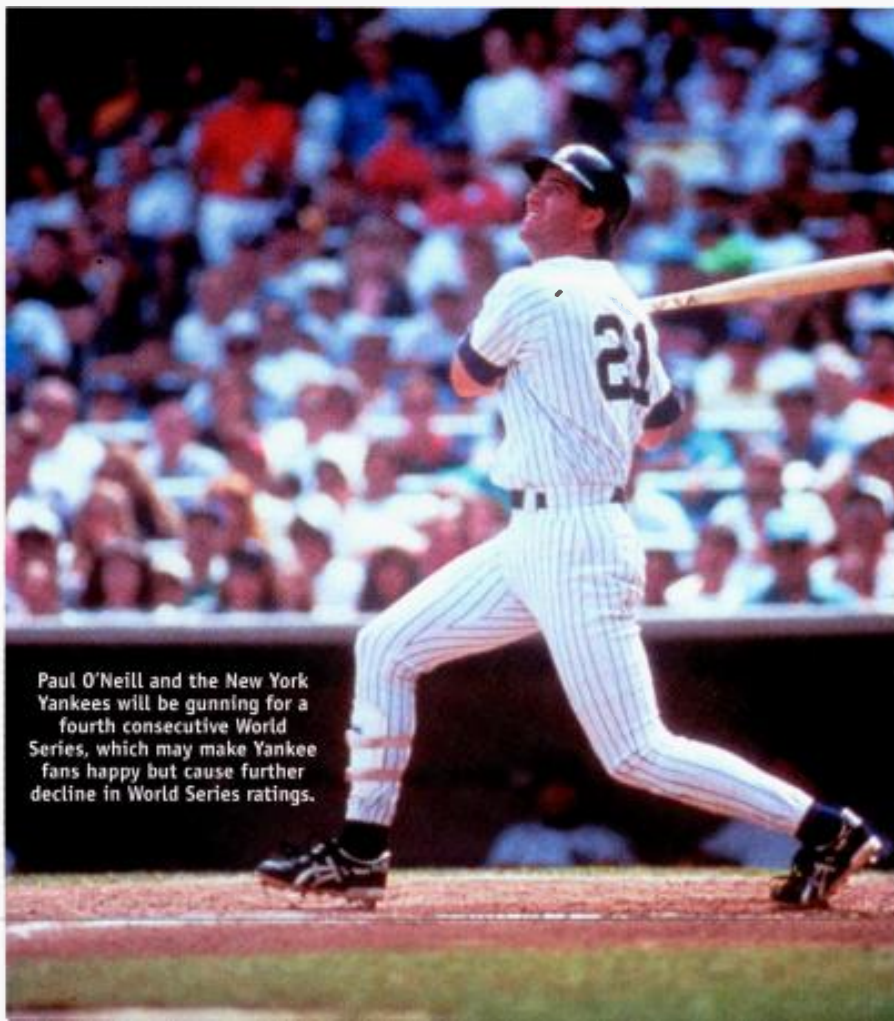
in making Fox a more important network. And it started the chain of events that led to CBS' getting the NBC's NFL package, which led to the most valuable recent sports lesson: the XFL. And now, with the XFL struggling, NBC can ill afford to lose its rights to the NBA, even if the league's ratings have bottomed out. Given NBC's precarious situation, the NBA is positioned to force the network to play defense if it wants to keep the hoops contract.

What's behind a good deal? Beyond the

bucks are hidden enhancers. A network with a hot sports contract can use the games to promote its other programming, enhance its brand, or just deny competitors access to a particular sports property. A network that grabs a sports contract sometimes considers the even bigger picture: a relationship that gives it the inside track at renewal time.

"We can take baseball product on the network, put it on the regional networks, put it on FX and now put it on Fox Family Channel," notes Hill. "The same thing can be said of NASCAR. It has a halo effect across the entire breadth of the properties that we have. So each deal is different for each network, and one may be more valuable than another, but there is no way to actually quantify that."

And building a reputation involves a two-way relationship. For example, even though Fox was willing to outbid NBC for the rights to televise Wimbledon during the mid 1990s, Wimbledon officials determined that it would be detrimental to its brand name to simply accept the higher bid. It



Paul O'Neill and the New York Yankees will be gunning for a fourth consecutive World Series, which may make Yankee fans happy but cause further decline in World Series ratings.

believed that the total value of its brand would be enhanced by continuing to associate itself with a network known for its consistent coverage of the grand-slam event.

Following is a look at each major deal, with ratings trends, dollars paid and an observation by an advertiser, who chose in each case to remain anonymous. While it is helpful to calculate the financial merits of sports as programming vehicles, though, it is but one form of measurement. The numbers don't lie, but they don't always tell the whole truth.

**The intangibles, however, are what make the deals.**

## NATIONAL FOOTBALL LEAGUE

**Inside the ratings:** From 1996 to 2000, Fox averaged a 10.8 national household rating for regular-season NFC coverage. CBS and

NBC's AFC coverage over the past five seasons averaged a 10.1 rating, and ABC's *Monday Night Football* averaged a 14.3 national rating. MNF averaged a 16.2 in 1996 but only a 12.7 last year.

### Advertiser's skinny:

"Whoever has the NFL usually makes out because of the amount of programming you get from it and the way you can promote the rest of your schedule to the audience each week. Look what it did to CBS when they lost football and look what it's doing to NBC now without the sport."

## MAJOR LEAGUE BASEBALL

**Inside the ratings:** During the past five seasons, Fox has averaged a 2.8 national HH

rating during the regular season, remaining relatively flat from its 2.7 rating in 1996. But, since 1996, the World Series has been going downhill quickly. In 1996, Fox's coverage of Atlanta Braves vs. the New York Yankees averaged a 17.4 national HH rating. In 1998, that fell to a 14.1. And this past season's subway series between the Yankees and Mets scored only a 12.4.

**Advertiser's skinny:** "If there is a strike this year in Hollywood, it's going to look like the greatest deal in the world for Fox because it will take up the whole month of October. If there is a lockout or strike in the game the following season, then it's not so great."

## NATIONAL BASKETBALL ASSOCIATION

**Inside the ratings:** NBC's regular-season ratings over the past five years averaged a 4.4, while TNT/TBS' national cable coverage since the 1996-97 season averaged a combined 1.1 national rating. NBC has gone from a 5.1 rating for regular-season coverage down to a 3.3 over the past five years. TNT and TBS' coverage has slipped from a 1.25 average to a 0.95 national HH average over the same period. If Jordan comes back, there may be help on the Nielsen front.

**Advertiser's skinny:** "The NBA is a property on the downslide right now but could easily come back up with a number of good stars. Obviously, a Jordan comes along once in a lifetime. They need to find the next superstar and a way to market that sport better."

## NATIONAL HOCKEY LEAGUE

**Inside the ratings:** Fox and ABC's national regular season coverage has averaged a 1.6 national household rating since the 1995-96 season. In 1995-96, Fox averaged a 2.1 rating. Last year, ABC's first year of its new contract, the regular-season average was only at a 1.3. On ESPN, regular-season coverage has averaged a 0.6 rating nationally. The 1996 regular-season average on ESPN was a 1.0.

**Advertiser's skinny:** "Greatest sport live, but the league has never learned a way to market itself to the U.S. audience. They have great

# Deal-makers

### NATIONAL FOOTBALL LEAGUE

Network	Package	Deal
ABC, CBS, ESPN and Fox	The nets are flipping the bill each year	\$17.6B, 1998-2005

### MAJOR LEAGUE BASEBALL

Network	Package	Deal
Fox	Playoffs, World Series, All-Star Game, Sat. GOTW	\$2.5B, 2001-2006
ESPN	Wednesday, Sunday telecasts	\$851M, 2000-2005

### NATIONAL BASKETBALL ASSOCIATION

Network	Package	Deal
NBC	Weekend regular season, Conf. Finals, NBA Finals	\$1.75B, 1998-2002
TNT/TBS	Weeknight telecasts, restricted playoffs	\$890M, 1998-2002

### NATIONAL HOCKEY LEAGUE

Network	Package	Deal
ABC, ESPN	Regular season, playoffs, finals	\$600M, 1999-2004

### NASCAR

Network	Package	Deal
Fox (also FX, Fox Sports Net)	First half of Winston Cup, Busch Series	\$1.6B, 2001-08
NBC, TBS	Split second half of season	\$1.2B, 2001-06

### NCAA MEN'S BASKETBALL TOURNAMENT

Network	Package	Deal
CBS	Every tournament game	\$1.725B, 1996-2003, then \$6B 11-year ext.

### NCAA FOOTBALL

Network	Package	Deal
ABC	Bowl Championship Series	\$500M, through 2005

### PROFESSIONAL GOLF ASSOCIATION

Network	Package	Deal
CBS, ABC, NBC, ESPN	PGA events, excluding U.S. Open, Masters, PGA championship and British Open	\$107M, 2001-04



stars and good marketing potential, but the problem is, it hasn't caught on with American viewers. [The NHL has] a huge problem."

## NASCAR

**Inside the ratings:** ABC, CBS and ESPN's combined Winston Cup coverage since 1996 has averaged a 5.0 national rating. In 1996, the average rating was a 4.4; last year, the three networks averaged a 5.0.

**Advertiser's skinny:** "It has shown growth every year, and it's growing well at Fox. It's probably the top-growing sport of them all right now."

## NCAA MEN'S BASKETBALL TOURNAMENT

**Inside the ratings:** CBS' regular-season coverage of men's basketball averaged a 2.0 national household rating ('95-'96 through '99-2000), while ABC averaged a 1.8. CBS' NCAA Tournament ratings (excluding championship games) over that same span was a 7.0. CBS' Tournament average, excluding the Championship game, dipped from a 7.5 in 1996 to a 6.4 last year.

**Advertiser's skinny:** "It's a great tournament and a great association. It's nothing but positive image when you associate with the NCAA."

## NCAA FOOTBALL

**Inside the ratings:** The national championship game has remained nearly flat over the past five seasons. In 1996, the championship game averaged a 17.9 national HH rating; the 2000 game averaged a 17.8. ABC's regular-season ratings have gone from a 5.4 national average in 1996 to a 4.6.

**Advertiser's skinny:** "Instead of having all of the bowl games on one day like they used to, with all of them on New Year's Day, spreading them out really helps."

## PROFESSIONAL GOLF ASSOCIATION

**Inside the ratings:** It's still all about Tiger. National coverage of PGA events over the past five years on ABC, CBS and NBC has seen a rise in the ratings with help from Woods. The five-year average (1996-2000)

is a 3.3 national household rating, with last season's three broadcast-network clip garnering a 3.6 rating.

**Advertiser's skinny:** "It's a good place to be. When Tiger plays and Tiger is on the hunt, it spikes the numbers even higher. I think you have to know when Tiger is playing to sponsor it; if he's not, the sport just does its old average ratings."

## WINTER AND SUMMER OLYMPICS

**Inside the ratings:** NBC struggled with its coverage of last summer's Sydney, Australia, games because of the time difference. The network posted the lowest-ever Summer Olympics ratings, with a 13.8 national HH rating over the two-week event. That was a dramatic drop from NBC's 1996 Atlanta coverage, which averaged a 21.6 rating.

**Advertiser's skinny:** "I think it's the best deal in TV sports. I think NBC got a steal with the Olympics because the rights don't go up too much after each event. I think the Olympic officials shouldn't have sold them

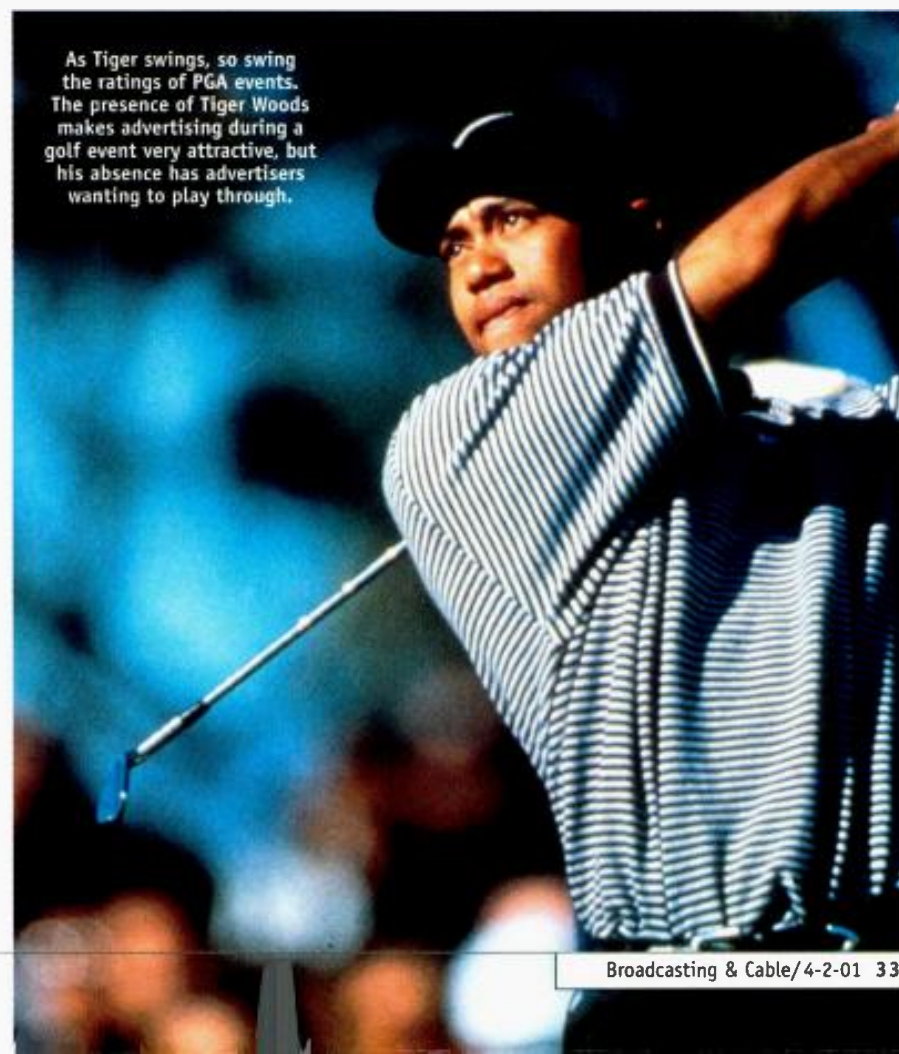
out so far. They would have been better auctioning them off every two years."

## THE TRIPLE CROWN

**Inside the ratings:** From 1996 to 2000, ABC averaged a 6.2 rating for the Kentucky Derby. Over that same span, ABC averaged a 3.8 for its coverage of the Preakness and a 4.1 for the Belmont Stakes. If there is a Triple Crown chance, the Belmont Stakes, the finale of the three-race event, more than doubles its ratings average.

**Advertiser's skinny:** "The Triple Crown for me has always been a strong event for sponsorship because the numbers are good and it delivers an upscale audience. But it is a sport that has fallen off a bit over the last several years." ■

*David Carter, who contributed to this article, teaches The Business of Sport at the University of Southern California Graduate School of Business and is a principal of the Sports Business Group in Los Angeles.*



As Tiger swings, so swing the ratings of PGA events. The presence of Tiger Woods makes advertising during a golf event very attractive, but his absence has advertisers wanting to play through.

*Baseball's most visible fan discusses the relationship between sports on the field and on the air*

# For love of the game

*By Joe Schlosser*



**In your book *Fair Ball*, you discuss what has gone wrong with baseball. How much blame should be put on the television industry, if any?**

Television's position, by and large, is amoral here. They make an investment, and their concern is only for the term of that investment—four years, five years, six years.

When people say TV dictates the late start times of baseball games, especially in playoffs and World Series, that's false. Television says, if you want this much in rights fees, this is what we have to have in order to get at least some of that back in advertising revenue.

It's up to baseball to protect the integrity of its own game and to consider what the long-range implications are of having its supposedly most important and memorable moments taking place at midnight in a good portion of the country.

So, indirectly, I think, TV has had an effect on the way baseball is presented and perceived. But it's up to the people who run baseball to steer that according to their own designs, and I don't think they have had enough foresight when it comes to that.

**Do you really believe Fox or NBC would pay millions to have an all-afternoon World Series?**

If you say to the networks, this is baseball and a certain number of games are going to be in the afternoon, they would absolutely still want it. They would want it at somewhat different dollar levels, but those dollar levels would still be significant.

Baseball has constantly found itself in a real or perceived economic crisis, so its motivation always is the largest short-term revenue grab, no matter how much the game is distorted to do it. And until the economic crisis is eased, all of the baseball-related decisions are going to be made in that atmosphere of desperation. That's why they can't get things straight on playoff formats, on post-season start times and on interleague play. All of these things are done in a slapdash fashion for short-term revenue grabs.

**You are a proponent of revenue sharing in**

**W**hen it comes to TV sports, no one is more familiar with the ins and outs of the business than Bob Costas. The longtime NBC Sports anchor and play-by-play man is never one to hold back a thought or an opinion on almost everything on and off the playing field. Costas, who was just nominated for another Sports Emmy Award for best in-studio host, nearly came to blows with WWF chief Vince McMahon last month on his new HBO sports talk show *On the Record*.

Costas, who spearheaded NBC's Summer Olympics coverage from Sydney, is only weeks away from working NBC's NBA-playoff coverage and will once again host NBC's Olympics coverage—next winter from Salt Lake City. He has also written a number of books, including *Fair Ball*, in which he suggests solutions for Major League Baseball's current economic woes. He talked with BROADCASTING & CABLE's Joe Schlosser last week about television's influence—both good and bad—on professional sports.



**baseball. How should TV contracts be dished out if the league were to implement such an economic plan?**

That's the other part about television that is a major issue. No matter how well run the Kansas City franchise is or, for that matter, a bigger city like St. Louis, there's no way they can match the local broadcast revenue of a New York, Los Angeles or Chicago. It's just impossible.

So what I propose is that, in addition to dividing all of the network revenue equally, which they currently do, each team should keep half of its local broadcast revenue—over-the-air, cable and radio. Keep half. If you generate \$100 million, you keep \$50 million. Then \$50 million goes into a major-league pool. If you generate \$10 million, you keep \$5 million, and \$5 million goes into a pool. That pool is then divided the same way as the network TV money is divided: not as a handout where the Pittsburghs get more than the New Yorks. They all get the same 30th of it.

**What would another strike do to baseball?**

I think it's more likely to be a lockout than a strike. I think almost certainly, no matter the merits of either side's position, the immediate reaction from most fans and most of the press will be, "A pox on both their houses: I hate all of them, I hate the game now, and I'll never come back to the sport. They were lucky to survive the first one." That will be the reaction.

But the truth is that, if a lockout is part of an enlightened strategy by the owners and it

is a last resort after presenting the players with a reasonable plan to reform baseball's economics and the players are not willing to compromise ... if a result of the lockout is that the owners succeed in significantly reforming baseball's economics, then I don't think that's a bad thing at all.

What would be disastrous would be if they have a lockout, they miss a significant portion of the 2002 season and, in the end, they don't accomplish anything. That would be devastating.

**Switching gears, you called the Summer Olympics in Australia. Did you expect the low national ratings that NBC received?**

I knew it would be much lower than the Atlanta games for a variety of obvious reasons. Atlanta was a domestic Olympics, so much of it we were able to do live or on a short tape-delayed basis, whereas the Sydney games were on a significant tape delay. And not only that, but, in the intervening four years, cable TV had exploded. The Internet had exploded. So the effect of a taped Olympics was more dramatic in 2000 than it would have been in past Olympics.

Plus, something that is often overlooked was that this was a September Olympics, not the July or August Summer Olympics that we used to do. So a lot of people weren't on vacation, and the kids were back in school. I think what is almost certain to happen is that the 2002 Salt Lake games will show a bounce back in the ratings, probably not to 1996 levels but a significant bounce back. In February, HUT levels are higher, and much of it

can be shown live.

**What's going on with the NBA? What do you think is going to come of TV's next basketball package, because NBC's deal is up after this season?**

I think NBC would very much like to be back in. Obviously, the NBA is still an attractive property, although it may never reach Michael Jordan levels again. And it wasn't just Jordan. That was on the heels of Bird, Magic, Dr. J, Kareem and all of the rest. But the NBA is still an attractive property, and I'm sure that there will be a lot of interest from other networks in the NBA.

**How about the WNBA?**

The WNBA has made some inroads, it has a fan base, it's a viable league. As long as success is not defined by enormous television ratings and the front page of the sports section of *USA Today* ... if that's the definition of success, it will be a long time before that is reached. But if the definition of success is to take a league, start from scratch, have a fan base and put out a pretty good product that continues to get better, then I think it has been successful.

**Isn't that true for the XFL?**

They've tried to start a league, and, up until now, it appears the public is not buying it.

**Do you think NBC should drop the XFL?**

I have no stand. I think they will make a business decision. Right now, the indicators are not good for the league. ■

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